

# NEW VENTURES

For more information,  
call the Ministry of Industry, Trade and  
Technology's Small Business Hotline. The  
toll-free number is 1 800 387-6142.



***New Ventures***  
Helping new business succeed



Ministry of  
Industry  
Trade and  
Technology

Hugh O'Neil  
Minister  
Rick Ferraro MPP  
Parliamentary Assistant  
and Small Business  
Advocate

*It's a program to get you  
started in business.  
With up to \$15,000 in a  
guaranteed loan.*



## BEGINNING YOUR BUSINESS

After a lot of planning, you're ready to start your own business. You developed a good idea. You're confident it will succeed—because you researched the market. You've identified the skills you'll need and know they're available. And you have some personal money to invest. Now you're formulating a viable business plan.

So you're off to a good start.

But what if your business plan shows that you need *more* money in order to begin on a sound financial footing? Then New Ventures may be the solution.

### A Helping Hand

The Ontario government recognizes the importance of small businesses—the significant contributions they make to the growth of the provincial economy and to job creation. That's where New Ventures comes in. It has three important goals: to promote success for new businesses; to provide access to funding through loan guarantees; and to ensure that entrepreneurs have fully researched their ideas by means of a comprehensive business plan.

With New Ventures, if you're eligible you can obtain a personal loan of up to \$15,000 from a participating financial institution—and it's guaranteed by the Ontario government. The loan can bear a floating interest rate of prime plus one percent or a fixed rate, to be negotiated between you and the lender.

To help your business conserve cash, in the first year you only need to pay interest on the loan. Then in the second year you begin paying back the loan itself, according to a schedule negotiated between you and the lender. It's the sole responsibility of the lender to process, approve, disburse and administer each New Ventures loan.

### How to Qualify

To be eligible for a New Ventures loan, there are certain criteria you must meet:

- You must be a resident of Ontario, at least 18 years old, and eligible to work in Canada;
- **YOUR BUSINESS MUST BE JUST STARTING UP** or it must have been registered or incorporated less than three months prior to the application;
- In a partnership each applicant must be eligible for the loan and must complete a separate Personal Information Form in the application booklet;
- You or your business are only eligible for one loan;
- At the time of loan approval, you must make a cash investment in the business at least equal to the loan. For example, to receive a \$10,000 loan you must invest \$10,000. **IF YOUR BUSINESS IS IN NORTHERN OR EASTERN ONTARIO THIS MATCHING REQUIREMENT IS HALVED—SO YOU ONLY NEED A CASH INVESTMENT OF \$7,500 IN ORDER TO APPLY FOR A \$15,000 LOAN;**

- If you borrowed your cash investment for your business, the assets of the business cannot be pledged for that loan. Government grants or loans are not to be considered as cash investments;
- At some time during the term of the guarantee you should hire at least one full-time equivalent employee;
- Loan proceeds cannot be used to purchase another business, to finance transactions between related businesses or individuals or to pay existing debts;
- The same business cannot have *both* a New Ventures loan and a Youth Venture loan.
- Professionals—such as doctors, lawyers and dentists—are not eligible for a loan to establish a practice related to their profession;
- Farm operators are not eligible for a loan to operate a farm. Contact your local agricultural representative for information on programs sponsored by the Ontario Ministry of Agriculture and Food.